

HOUSE BILL No. 2075

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-2-14; IC 7.1-4.

Synopsis: Increase excise taxes on alcohol. Establishes the underage drinking prevention and education fund to provide grants for prevention of underage drinking and for education programs concerning underage drinking. Increases excise taxes on beer, wine, liquor, and malt liquor. Provides that the revenues generated by the excise tax increases are to be deposited in the alcoholic beverage commission's enforcement and administration fund, the addiction services fund, and the underage drinking prevention and education fund.

Effective: September 1, 1999.

Crawford, Kruse

January 27, 1999, read first time and referred to Committee on Ways and Means.



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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 2075

A BILL FOR AN ACT to amend the Indiana Code concerning alcoholic beverages.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-2-14 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 SEPTEMBER 1, 1999]:

4 **Chapter 14. Underage Drinking Prevention and Education Fund**

5 **Sec. 1. As used in this chapter, "commission" refers to the**
6 **commission for a drug free Indiana established by IC 5-2-6-16.**

7 **Sec. 2. As used in this chapter, "fund" refers to the underage**
8 **drinking prevention and education fund established by this**
9 **chapter.**

10 **Sec. 3. As used in this chapter, "underage drinking" means the**
11 **consumption of alcoholic beverages by a person less than**
12 **twenty-one (21) years of age.**

13 **Sec. 4. The underage drinking prevention and education fund is**
14 **established to promote comprehensive initiatives to prevent**
15 **underage drinking and to provide education programs concerning**
16 **underage drinking. The fund consists of amounts deposited:**

17 **(1) under IC 7.1-4-11-6; and**

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(2) from any other public or private source.

Sec. 5. The treasurer of state shall administer the fund. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 6. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 7. A school corporation, political subdivision, or nonprofit corporation may apply to the criminal justice institute for a grant from the fund for services or activities included in a comprehensive underage drinking prevention and education plan.

Sec. 8. An underage drinking prevention and education plan submitted under section 7 of this chapter must show how proposed services will be coordinated with, and not supplant, local, state, or federal funding.

Sec. 9. The criminal justice institute shall submit a grant application filed under section 7 of this chapter to the commission. If the commission approves an application, the treasurer of state shall disburse from the fund to the applicant the amount of the grant specified by the commission and certified to the treasurer of state by the criminal justice institute.

SECTION 2. IC 7.1-4-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 1999]: Sec. 1. An excise tax, referred to as the beer excise tax, at the rate of ~~eleven and one-half~~ **twenty-four** cents (~~\$.115~~) (**\$0.24**) a gallon is imposed upon the sale of beer or flavored malt beverage within Indiana.

SECTION 3. IC 7.1-4-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 1999]: Sec. 1. Rate of Tax. An excise tax at the rate of ~~two five~~ **two five** dollars and ~~sixty-eight~~ **sixty** cents (~~\$2.68~~) (**\$5.60**) a gallon is imposed upon the sale, gift, or the withdrawal for sale or gift, of liquor and wine that contains twenty-one percent (21%), or more, of absolute alcohol reckoned by volume.

SECTION 4. IC 7.1-4-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 1999]: Sec. 1. An excise tax at the rate of ~~forty-seven~~ **ninety-eight** cents (~~\$0.47~~) (**\$0.98**) a gallon is imposed upon the manufacture and sale or gift, or withdrawal for sale or gift, of wine, except hard cider, within this state.

SECTION 5. IC 7.1-4-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 1999]: Sec. 1. Rate of Tax. An excise tax at the rate of ~~five ten~~ **five ten** cents (~~5¢~~) (**\$0.10**) a gallon, or fraction of a gallon, is imposed upon the sale, gift, exchange, or barter of liquid malt or wort.



SECTION 6. IC 7.1-4-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 1999]: Sec. 1. The department shall deposit ~~three-fourths~~ **one and one-half** cents (~~3/4¢~~) (**\$0.015**) of the beer excise tax rate collected on each gallon of beer or flavored malt beverage, ~~eleven~~ **twenty-two** cents (~~11¢~~) (**\$0.22**) of the liquor excise tax rate collected on each gallon of liquor, and ~~four~~ **eight** cents (~~4¢~~) (**\$0.08**) of the wine excise tax rate collected on each gallon of wine, daily with the treasurer of the state, and not later than the fifth day of the following month shall cover them into the "Enforcement and Administration Fund".

SECTION 7. IC 7.1-4-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 1999]: Sec. 4. (a) The department shall daily deposit with the treasurer of state:

(1) ~~two~~ **eleven** cents (~~\$0.02~~) (**\$0.11**) of the beer excise tax collected on each gallon of beer or flavored malt beverage, as provided by IC 7.1-4-2-1;

(2) ~~six~~ **two dollars and twenty-five** cents (~~\$0.06~~) (**\$2.25**) of the liquor excise tax collected on each gallon of liquor, as provided by IC 7.1-4-3-1; and

(3) ~~two~~ **forty** cents (~~\$0.02~~) (**\$0.40**) of the wine excise tax collected on each gallon of wine, as provided by IC 7.1-4-4-1.

(b) By the fifth day of each month, the treasurer of state shall transfer into the addiction services fund (IC 12-23-2) the total amount collected under subsection (a) for the preceding month.

SECTION 8. IC 7.1-4-11-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 1999]: Sec. 6. (a) The department shall daily deposit with the treasurer of state:

(1) **two and three-fourths** cents (**\$0.0275**) of the beer excise tax collected on each gallon of beer or flavored malt beverage, as provided by IC 7.1-4-2-1;

(2) **sixty-two** cents (**\$0.62**) of the liquor excise tax collected on each gallon of liquor, as provided by IC 7.1-4-3-1; and

(3) **nine** cents (**\$0.09**) of the wine excise tax collected on each gallon of wine, as provided by IC 7.1-4-4-1.

(b) By the fifth day of each month, the treasurer of state shall transfer into the underage drinking prevention and education grant fund (IC 5-2-14) the total amount collected under subsection (a) for the preceding month.

SECTION 9. [EFFECTIVE SEPTEMBER 1, 1999] Subject to IC 7.1-4-6-6, this act applies to excise taxes collected upon the sale, gift, or the withdrawal for sale or gift of alcoholic beverages



1 **occurring after August 31, 1999.**

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